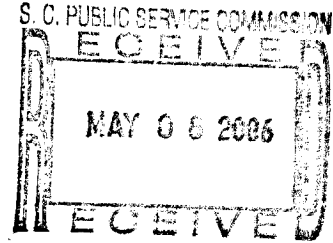


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BRICKFIELD BURCHETTE
RITTS & STONE, PC

WASHINGTON, D.C.
AUSTIN, TEXAS

May 5, 2006



Mr. Charles Terreni
Chief Clerk
Public Service Commission of South Carolina
P.O. Drawer 11649
Columbia, SC 29211

Re: Carolina Power & Light Company d/b/a Progress Energy Carolinas, Inc. –
Annual Review of Base Rates for Fuel Costs.
Docket No. 2006-1-E

Dear Mr. Terreni:

Enclosed for filing is Nucor Steel-South Carolina's Third Set of Continuing Data Requests to PEC in the above referenced matter.

Sincerely,

A handwritten signature in black ink, appearing to read "Garrett A. Stone".

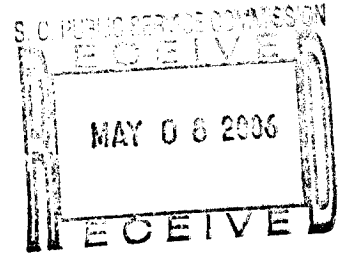
Garrett A. Stone

Enclosure

**BRICKFIELD BURCHETTE
RITTS & STONE, PC**

WASHINGTON, D.C.
AUSTIN, TEXAS

May 5, 2006



VIA E-MAIL & FEDERAL EXPRESS

Len S. Anthony, Esq.
Progress Energy Service Company, LLC
401 S. Wilmington Street
Raleigh, NC 27601

Re: Carolina Power & Light Company d/b/a Progress Energy Carolinas, Inc. –
Annual Review of Base Rates for Fuel Costs.
Docket No. 2006-1-E

Dear Len:

I have enclosed Nucor Steel-South Carolina's Third Set of Continuing Data Requests to PEC in the above referenced matter. Please let me know if you have any questions.

Sincerely,

Garrett A. Stone

Enclosure

cc: All parties

**BEFORE THE
PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA**

DOCKET NO. 2006-1-E

In the Matter of:

**Carolina Power & Light Company d/b/a
Progress Energy Carolinas, Inc.
Annual Review of Base Rates
For Fuel Costs**

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**NUCOR-STEEL
SOUTH CAROLINA'S
THIRD SET OF
CONTINUING DATA REQUESTS
TO PEC**

Nucor Steel-South Carolina ("Nucor") hereby propounds the following data requests (interrogatories and requests for production of documents) to Progress Energy Carolinas, Inc. ("PEC") and requests that the information and documents requested below be provided by **May 15, 2006**. These requests are continuing in nature and PEC is requested to provide any information available as of the date of the response and then complete or update the response as necessary as additional information becomes available.

INSTRUCTIONS

1. In answering each Request, please state the text of the Request prior to providing the response. Each Request and applicable response should be on a separate page. Where there are subparts to a Request, each subpart and applicable response should be on a separate page. Each Request is continuing in nature. Thus, if PEC acquires or discovers additional or different information with respect to a Request after the Request has been initially answered, PEC is required to supplement its response immediately following the receipt of such additional or different information, giving the additional or different information to the same extent as originally requested. PEC may not postpone serving such responsive supplemental information until after the filing of any testimony or supporting documents in this proceeding. Initial and supplementary responses shall be full, complete and accurate since they will be relied upon by Nucor for the purposes of this proceeding. For each Request, list all assumptions made by PEC in answering said Request.
2. In the event that PEC asserts that any of the information requested is deemed by it to be privileged or proprietary, then PEC in its written response should identify any such data, and any supporting documents, by date and general content. PEC should also identify all persons who participated in the preparation of the document and all persons, inside or outside PEC, who received a copy, read, or examined any such document. In addition, PEC should indicate its claim of privilege with particularity and describe the grounds upon which privilege is claimed. State the present location of the document and all copies thereof and identify each person having custody or control of the document and said copies.

3. To the extent that PEC asserts that any requested information is not relevant or not material to any issue in the above-captioned matter, PEC, in its written response hereto, should indicate a specific basis for said assertion in the context of any issues arising in this proceeding.
4. In the event PEC asserts that any requested information is not available in the form requested, PEC, in its written response thereto, should disclose the following:
 - (a) the form in which the requested data currently exists (identifying documents by title);
 - (b) whether it is possible under any circumstances for PEC to provide the data in the form requested;
 - (c) the procedures or calculation necessary to provide the data in the form requested;
 - (d) the length of time (in hours or days) necessary for PEC to prepare the data in the form requested; and
 - (e) the earliest dates, time period, and location that representatives of Nucor may inspect PEC's files, records or documents in which the requested information currently exists.
5. The Requests contained herein contemplate that individual copies of any documentary material requested will be provided to Nucor as is the usual custom in regulatory proceedings. In the event that PEC asserts that any requested documents are too voluminous, or, for some other reason, copies cannot be provided to Nucor, PEC is requested to make such voluminous or otherwise undeliverable documentary material available for inspection as of the date of the required written responses at such time and place as may be mutually agreed upon among counsel for the parties. PEC is requested to provide notice to Nucor at least two Business Days in advance of the date of the required written responses that it contemplates asserting that any requested documents will be too voluminous to provide Nucor with individual copies, or will otherwise be undeliverable according to PEC. PEC is also requested to provide notice no less than 2 Business Days in advance of the date of required written responses estimating the size and character of any voluminous materials and/or documents, and to provide copying of any noticed materials pursuant to Nucor's designation at Nucor's expense at that time.
6. In providing documents, PEC is requested to furnish all documents or items in its physical possession or custody, as well as those materials under the physical possession, custody or control of any other person acting or purporting to act on behalf of PEC or any of PEC's employees or representatives, whether as an agent, independent contractor, attorney, consultant, witness, or otherwise. If documents responsive to a request existed at one time but have been discarded, lost or destroyed, please describe by category such documents, state the identity of the person having knowledge of the circumstances of their discard, loss or destruction, and state the date on which such documents were discarded, lost or destroyed.
7. To the extent any requested document cannot be provided in full, it shall be provided to the extent possible, with an indication of what document or portion of what document is being withheld and the reasons for withholding said document.
8. Documents are to be produced as they are kept in the usual course of business. To the extent that they are attached to each other, documents should not be separated.

9. Documents not otherwise responsive to this Request shall be provided if such documents are attached to documents responsive to this Request, and constitute routing slips, transmittal memoranda, letters, comments, evaluations, or similar materials.
10. For each Request answered, provide the name of the person or persons answering, the title of such persons and the name of the witness or witnesses who will be prepared to testify concerning the matters contained in each response or document provided. PEC shall provide all responses under oath.
11. Unless otherwise indicated, the following Requests shall require you to furnish information and tangible materials pertaining to, in existence, or in effect for the whole or any part of the period from January 1, 2004, through and including the date of your response.
12. Where these Requests seek quantitative or computational information (*e.g.*, models, analyses, databases, formulas) stored by PEC or its consultants in machine-readable form, in addition to providing a hard copy, PEC is requested to furnish such machine-readable information on CD-ROM in MS Excel file format.
13. To the extent possible, where these Requests seek non-quantitative narrative information (*e.g.*, studies, reports, memorandum, correspondence) stored by PEC or its consultants in machine readable form, in addition to providing a hard copy, PEC is requested to furnish such machine-readable information on CD-ROM in MS Word format.
14. Responses to any of these Requests may include incorporation by reference to responses to other Requests only under the following circumstances:
 - (a) the reference is explicit and complies with instruction 11; and
 - (b) unless the entirety of the referenced response is to be incorporated, the specific information or documents of the referenced response shall be expressly identified.
15. Nucor requests that PEC send by overnight delivery service (such as Federal Express or a comparable service) one copy of its responses to this Request to each of the following:

Garrett A. Stone
Brickfield, Burchette, Ritts & Stone, P.C.,
1025 Thomas Jefferson Street, NW
Eighth Floor-West Tower
Washington, DC 20007

Thomas S. Mullikin
Robert R. Smith II
Moore & Van Allen, PLLC
100 North Tryon Street
Suite 4700
Charlotte, NC 28202

Responsive information and documents should be provided as they become available and should not be withheld until a complete response to all of Nucor's requests is available.

DEFINITIONS

1. "PEC" refers to Carolina Power & Light d/b/a Progress Energy Carolinas, Inc., its parent(s), subsidiaries, affiliates, predecessors, successors, officers, directors, agents, employees, and other persons acting in its behalf.
2. "PSC" means the South Carolina Public Service Commission.
3. "Nucor" means Nucor Steel-South Carolina.
4. "Historical period" refers to the time period between April 1, 2005 and March 31, 2006.
5. "Forecast period" or "projected period" refers to the time period between April 1, 2006 and June 30, 2007.
6. "Identify" means as follows:
 - (a) when used in reference to an individual, to state his full name and present or last known residence address and telephone number, his present or last known position and business affiliation, and his position and business affiliation at the time in question;
 - (b) when used in reference to a commercial or governmental entity, to state its full name, type of entity (*e.g.*, corporation, partnership, single proprietorship), and its present or last known address;
 - (c) when used in reference to a document, to state the date, author, title, type of document (*e.g.*, letter, memorandum, photograph, tape recording, etc.) and its present or last known location and custodian;
 - (d) when used in reference to a communication, to state the type of communication (*i.e.*, letter, personal conversation, etc.), the date thereof, and the parties thereto and, in the case of a conversation, to state the substance, place, and approximate time thereof, and identity of other persons in the presence of each party thereto; and
 - (e) when used in reference to an act, to state the substance of the act, the date, time, and place of performance, and the identity of the actor and all other persons present.
7. The term "document" as used in the Requests contained herein is used in its customary broad sense, and includes, without limitation, any kind of printed, recorded, written, graphic, or photographic matter and things similar to any of the foregoing, regardless of their author or origin. The term specifically includes reports, studies, statistics, projections, forecasts, decisions and orders, e-mail communications, intra-office and inter-office communications, correspondence, memoranda, financial data, summaries or records of conversations or interviews, statements, returns, diaries, workpapers, graphs, sketches, computer printouts, summaries or reports of investigations or negotiations, opinions or reports of consultants, photographs, brochures, bulletins, pamphlets, books, articles, advertisements, circulars, press releases, graphic records or representations or publications of any kind (including microfilm, videotape and records, however produced or reproduced), electronic, mechanical and electrical records of any kind (including, without limitation, tapes, tape cassettes, disks and records), other data compilations (including, without limitation, input/output files, source codes, object codes, program documentation, computer programs, computer printouts, cards, tapes, disks and recordings used in automated data processing together with the programming instructions and other material necessary to translate, understand or use the same), all drafts, prints,

issues, alterations, modifications, changes and amendments to the foregoing, and all other documents or tangible things of whatever description that constitute or contain information within the scope of a Request that are in the possession of PEC. A Request seeking the identification or production of documents addressing, relating or referring to, or discussing a specified matter encompasses documents having a factual, contextual, or logical nexus to the matter, as well as documents making explicit or implicit reference thereto in the body of the documents. Originals and duplicates of the same document need not be separately identified or provided; however, drafts of a document or documents differing from one another by initials, interlineations, notations, erasures, file stamps, and the like shall be deemed to be distinct documents requiring separate identification or production.

8. "Communication" shall mean any transmission of information by oral, graphic, written, pictorial, or otherwise perceptible means, including, but not limited to, telephone conversations, letters, telegrams, e-mail and personal conversations. A Request seeking the identity of a communication addressing, relating or referring to, or discussing a specified matter encompasses documents having factual, contextual, or logical nexus to the matter, as well as communications in which explicit or implicit reference is made to the matter in the course of the communication.
9. The "substance" of a communication or act includes the essence, purport or meaning of the same, as well as the exact words or actions involved.
10. Words expressing the singular number shall be deemed to express the plural number; those expressing the masculine gender shall be deemed to express the feminine and neuter genders; those expressing the past tense shall be deemed to express the present tense; and vice versa.
11. The unqualified terms "or" and "and" shall be construed either conjunctively or disjunctively to bring within the scope of these Requests any matters that might otherwise be construed to be outside their scope.
12. The unqualified term "person" shall mean an individual, corporation, partnership, unincorporated association or other business or governmental entity.
13. The term "e.g." or "for example" indicates illustration by example, not limitation.

QUESTIONS

NUC-3-1 Referring to Mr. Roberts' Direct Testimony at pages 5-6 and his discussion of equivalent availability factor ("EAF") and capacity factor ("CF"):

- (a) For purposes of comparison, provide the aggregate EAF and CF separately for each type of facility (e.g., nuclear, major coal unit, small coal unit, combined cycle, hydro and combustion turbines) on the PEC system for the calendar years 2000-2005 (or for the previous 5 fuel review periods if that is more readily available).
- (b) Provide the projected EAF and CF for each of these types of facilities (e.g., nuclear, major coal unit, small coal unit, combined cycle, hydro and combustion turbines) for the period April 2006 – June 2006.
- (c) Provide the projected EAF and CF for each of these types of facilities (e.g., nuclear, major coal unit, small coal unit, combined cycle, hydro and combustion turbines) for the period July 2006-June 2007.

NUC-3-2 Referring to PEC's projection of fuel costs discussed in Mr. Barkley's Direct Testimony and his discussion of outages and historical trends at page 10:

- (a) Provide the projected capacity factor ("CF") by nuclear unit (excluding any refuelings) for each PEC nuclear unit for the period April 2006 – June 2006 used in determining PEC's projected fuel costs in this docket.
- (b) Provide the projected CF by nuclear unit (excluding any refuelings) for each PEC nuclear unit for the period July 2006-June 2007 used in determining PEC's projected fuel costs in this docket.
- (c) Identify all refuelings or planned outages by nuclear unit for the period April 2006-July 2007 with dates and expected hours of each outage.
- (d) Provide the projected equivalent availability factor ("EAF") and CF for each PEC "larger fossil unit" for the period April 2006 – June 2006 used in determining PEC's projected fuel costs in this docket.
- (e) Provide the projected EAF and CF for each PEC "larger fossil unit" for the period July 2006 – June 2007 used in determining PEC's projected fuel costs in this docket.
- (f) Identify all major planned outages at PEC fossil units for the period April 2006-July 2007.
- (g) Identify and provide the data on "historical trends" that Mr. Barkley references as the basis for PEC projected fuel costs.

- (h) Identify and provide all evidence justifying the choice of outage and operational information used to develop PEC's fuel forecasts in this docket.

NUC-3-3 Referring to Mr. Barkley's Direct Testimony at page 9:

- (a) Specifically identify each source, amount and cost of power PEC purchases "from certain vendors that is treated as firm generation capacity purchases."
- (b) Referring to the statement, "all of these costs are recorded as recoverable fuel costs with the exception of capacity-related charges" provide a detailed listing of all types and amounts of costs recorded as recoverable.
- (c) Referring to the statement, "all of these costs are recorded as recoverable fuel costs with the exception of capacity-related charges" provide a detailed listing of all types and amounts of costs recorded as non-recoverable as "capacity-related."

NUC-3-4 Referring to Mr. Barkley's Direct Testimony at page 9-10 and Exhibit 6:

- (a) Explain in detail PEC's interpretation of the stipulation such that it has included "one half of its expected June 30, 2006 deferred fuel balance for recovery in this proceeding"
- (b) Given the Stipulation language referring to recovery of the "under recovery at June 2005", explain in detail why PEC used the June 2006 under recovery (instead of June 2005) for determining the amount to recover (Exhibit 6).
- (c) Will PEC propose to recover another \$17,288,402 using the same approach for July 2007-June 2008? (explain the answer in detail)
- (d) Provide a workpaper and/or calculations demonstrating the calculation of the "Interest on Average Balance".
- (e) Explain how PEC's approach comports with recovery of equal monthly installments over the next two years.
- (f) In order to recover equal monthly installments, should the interest be recovered each month in an equal monthly installment over the two years, July 2006 – June 2008?

NUC-3-5 Referring to Mr. Barkley's Direct Testimony, Exhibit 2:

- (a) Identify and provide the source and basis for this data.
- (b) If the forecasted portion of the graph was prepared by PEC, explain how the forecast was prepared and provide all underlying data.
- (c) Provide the underlying point data for each month on the graph.
- (d) Are these PEC costs or some sort of market costs (please explain answer)?
- (e) Do these costs include delivery costs?

- (f) Provide comparable cost figures for other types of coal for the same months (e.g., Northern Appalachian, Illinois Basin, Powder River Basin, etc.).

NUC-3-6 Referring to Mr. Barkley's Direct Testimony, Exhibit 3:

- (a) Are these forecast figures used as PEC's gas price forecast in this docket?
- (b) If the answer to subpart (a) is no, explain in detail why not.
- (c) If the answer to subpart (a) is no, provide the directly comparable figures from PEC's projected gas prices used to calculate the projected fuel costs to be recovered in this docket.

NUC-3-7 Referring to Mr. Barkley's Direct Testimony, Exhibit 4, provide a comparable table (with the same types of information) of projected system fuel cost for the period April 2006 – June 2007.

NUC-3-8 Referring to Mr. Barkley's Direct Testimony, Exhibit 7:

- (a) For lines 1 and 2 on the exhibit, indicate when the projected sales and costs respectively were determined (if the monthly amounts were determined at different times, indicate the date when each monthly amount was determined).

NUC-3-9 Given that PEC's average and marginal fuel costs and sales are higher in certain seasons and months (the summer and the colder winter months):

- (a) What is PEC's position on having a fuel factor that varied by season or for certain months such that the factor was higher during the months where the costs and sales are higher?
- (b) Explain the answer in detail.


NUC-3-10 Referring to PEC's discovery response to NUC-1-43:

- (a) Following-up on PEC's response to subpart (b), please provide the aggregate payments made by PEC to DOE for the period beginning with the date of the initial payment through March 31, 2006.
- (b) Following-up on PEC's response to subpart (d), please provide a projection (and any related forecast work papers, analyses and reports) estimating the annual amounts that will be paid by PEC to DOE through June 30, 2007 in the event that a final determination is not made by the U.S. Court of Federal Claims and a negotiated settlement is not reached.
- (c) Explain why PEC's damages would not equal the amount paid to DOE?
- (d) Does PEC have the option to quit paying the DOE fee under the contract? (explain the answer in detail)

- (e) Following-up on PEC's response to subpart (f), please explain in narrative detail (and provide all relevant documents) how and to what extent the DOE's so-called "pick-up rate" affects PEC's expected damages.
- (f) Following-up on PEC's response to subpart (f), quantify PEC's estimated damages if the Government's position on the "pick-up rate" and how it affects damages is adopted.
- (g) Following-up on PEC's response to subpart (f), please provide copies of all documents, analyses and work papers prepared to examine and assess PEC's claimed damages.
- (h) Following-up on PEC's response to subpart (h), please explain in detail how PEC would propose to flow any recovered damages back to customers, regardless of when in the future a final determination is made via litigation or whether a negotiated settlement is reached.

NUC-3-11 Referring to PEC's non-confidential response to NUC-1-21, provide the specific values used by PEC as the "key input parameters for the production cost model" when determining the projected fuel costs in this case. Please include operating characteristics of the units (such as outage rates), hourly expected loads for the projected period, etc.

* * * * *



Garrett A. Stone
Brickfield, Burchette, Ritts, & Stone, P.C.
1025 Thomas Jefferson Street, NW
8th Floor West
Washington, DC 20007
(202) 342-0800

Thomas S. Mullikin
Robert R. Smith, II
Moore & Van Allen, PLLC
100 North Tryon Street
Suite 4700
Charlotte, NC 28202
(704) 331-3580

**BEFORE THE
PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA**

DOCKET NO. 2006-1-E

In the Matter of:

**Carolina Power & Light Company d/b/a
Progress Energy Carolinas, Inc.
Annual Review of Base Rates
For Fuel Costs**

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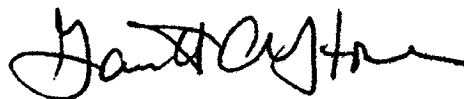
Certificate of Service

This is to certify that a copy of the foregoing document, **NUCOR STEEL-SOUTH CAROLINA'S THIRD SET OF CONTINUING DATA REQUESTS TO PEC**, was served upon the following parties at the addresses set forth by first-class mail, electronic mail, telefax, or Federal Express on this the 5th day of May, 2006:

Len S. Anthony, Esq.
Progress Energy Services Company
P.O. Box 1551 / PEB 17A4
Raleigh, NC 27602

Florence P. Belser, Esq.
Wendy B. Cartledge, Esq.
Nanette S. Edwards, Esq.
Office of Regulatory Staff
Post Office Box 11263
Columbia, SC 29211

Scott Elliott, Esq.
South Carolina Energy Users Committee
Elliott & Elliott, PA
721 Olive Street
Columbia, SC 29205



Garrett A. Stone